LISTING OF CLAIMS

1. (currently amended) A method for utilizing a computer for managing operational risk and return of a production infrastructure with respect to a current portfolio of service-level agreements (SLAs) offered by a service provider, the method comprising:

a. calculating by said computer an efficient frontier that identifies efficient portfolios of SLAs each having a desired level of risk and return for the service provider using inputs comprising at least one of characteristics of the production infrastructure, traffic characteristics, QoS characteristics, and the price of each class of SLAs;

b. determining the performance of the current portfolio of SLAs using a portfolio evaluator means of said computer and inputs to determine an ~~which characterize the~~ actual level of risk and return for the service provider under the current portfolio;

c. evaluating performance by said computer comparing the actual level of risk and return for the current portfolio and the efficient portfolios with the desired level of risk and return; and

d. implementing corrective action to dynamically adjust the actual risk and return for the service provider based on the desired risk and return.

2. (original) The method of claim 1, wherein the corrective action is selected from a group of possible actions consisting of:

a. adjusting marketing strategy;

b. changing the degree of multiplexing in the network;

c. changing network capacity;

d. changing the cost of network capacity;

e. defining relative compliance guarantees where networks support definition of adequate policies on the basis of priority;

f. changing prices and comparing with baseline prices of SLAs; and

g. trading contracts of different classes of SLAs.

3. (previously presented) The method of claim 1 or 2 wherein, after corrective action is taken, the method further comprises the steps of:

taking new inputs, and,

with the exception of the corrective action of trading SLAs, re-executing the method by calculating a new efficient frontier having a new desired risk and return for comparison with the actual risk and return of the current portfolio, calculated by the portfolio evaluator means.

4. (previously presented) The method of claim 2 wherein, for implementing corrective action comprising trading, the method further comprises:

determining a number of to-be-traded SLAs of a certain class by subtracting the number of SLAs of the certain class in the current portfolio from the number of SLAs in a desired portfolio, and

taking action that tends to narrow the difference; thus moving the contents of the current portfolio to that of an optimal portfolio.

5-28 (canceled)